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TAGS: MASS PREL BR

SUBJECT: BRAZIL,S AIR FORCE COMMANDER ASKS FOR STATE
ASSURANCES ON TECH TRANSFER BY AUGUST 6

REF: BRASILIA 888

Classified By: DEPUTY CHIEF OF MISSION LISA KUBISKE,
REASON 1.4 (b) and (d)

¶1. (S/NF) At a July 30 dinner for visiting SouthCom Commander General Doug Fraser, Brazil,s Air Force (BRAF) commander, Brigadier Juniti Saito (protect), pulled Ambassador Sobel and Political Counselor aside to discuss the FX-2 Fighter purchase. He said that there was no question from a technical point of view that the F18 was the superior aircraft. &We have been flying U.S. equipment for decades,8 he said, &and we know that it is dependable and that maintenance is simple and cost-effective through FMS.8 That has to be factored into the cost of the new fighter, he said, as the BRAF will likely be using the plane for thirty or forty years. It is the best decision, he said, and the French can,t complain as they just signed a USD 14 billion deal with Brazil (for submarines and helicopters).

¶2. (S/NF) Saito stressed, however, that the question regarding USG commitment to technology transfer remains &a significant political barrier8 that is extremely important to overcome. Saito asked whether the letter he had requested that assured technology transfer (reftel) would be forthcoming. The Ambassador assured him that we understood how important it was to overcome this issue, and said he believed it was in the final stage of approval. Relieved, Saito said he needed the letter in hand by August 6. He said, however, that the decision would not be announced until &after September 7.8 (Note: French President Sarkozy will visit Brazil next month and attend national day festivities on September 7 as part of the &Year of France in Brazil8 activities. End note.)

¶3. (S/NF) Saito reiterated how important President Obama,s discussion on the FX-2 sale with President Lula at Aquila had been, saying, &It opened the door for me to approach the Ambassador as I have.8 He said that President Lula had instructed Defense Minister Jobim and Brigadeiro Saito to meet with General Jones during his upcoming visit and requested an office call by General Jones.

¶4. (S/NF) Comment: This was Saito,s clearest expression that he plans to recommend the F18. Post is working to set up a meeting between General Jones and Brigadier Saito on August 4. Post further understands that Under Secretary Tauscher is prepared to deliver the letter Saito requested to Defense Minister Jobim and Foreign Minister Amorim during the visit, and believes this will be seen as a significant sign of USG support for Boeing,s offer.

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